

Maria E. Kelso

E. Meredith, NY 13757

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February 10, 2014

Office of the General Counsel  
Federal Election Commission  
999 E Street, NW  
Washington, DC 20463

MUR # 6792

Re: Sean Eldridge, Sean Eldridge for Congress, and The Hudson Valley Economic Development Corporation

Dear Counsel:

Pursuant to 2 USC § 437g(a)(1) and 11 CFR § 111.4, please accept this letter as a Complaint against Sean Eldridge ("Eldridge"), Sean Eldridge for Congress ("Committee"), and The Hudson Valley Economic Development Corporation ("HVEDC") for operating in violation of the Federal Election Campaign Act of 1971, as amended (the "Act"), and Federal Election Commission ("FEC" or "Commission") regulations, and more specifically, for making and accepting prohibited corporate contributions in violation of 2 USC § 441b.

#### Facts

Sean Eldridge for Congress is the authorized principal campaign committee for Sean Eldridge, a candidate for New York's 19<sup>th</sup> Congressional District. Eldridge filed an FEC Form 2 Statement of Candidacy on February 1, 2013. The Committee filed an FEC Form 1 Statement of Organization on February 1, 2013.

The Hudson Valley Economic Development Corporation is a non-stock, domestic non-profit corporation registered with the state of New York.<sup>1</sup> HVEDC lists its principal location as 555 Hudson Valley Avenue, Suite 106, New Windsor, New York, 12553. HVEDC's website touts itself as "the one-stop shop for companies considering relocating or expanding in the seven counties it serves."<sup>2</sup>

On May 30, 2013, HVEDC published a video entitled "Hudson Valley 3D Printing Announcement" to its YouTube site ("HVEDC Video").<sup>3</sup> The HVEDC Video features Eldridge, along with other HVEDC principals, clients, and affiliates, including Larry Gottlieb, President

<sup>1</sup> [http://appext20.dos.ny.gov/corp\\_public/CORPSEARCH.ENTITY\\_INFORMATION?p\\_nameid=3873916&p\\_corp\\_id=3867548&p\\_entity\\_name=%68%75%64%73%6F%6E%20%76%61%6C%6C%65%79%20%65%63%6F%6E%6F%6D%69%63%20%64%65%76%65%6C%6F%70%6D%65%6E%74&p\\_name\\_type=%41&p\\_search\\_type=%42%45%47%49%4F%53&p\\_srch\\_results\\_page=0](http://appext20.dos.ny.gov/corp_public/CORPSEARCH.ENTITY_INFORMATION?p_nameid=3873916&p_corp_id=3867548&p_entity_name=%68%75%64%73%6F%6E%20%76%61%6C%6C%65%79%20%65%63%6F%6E%6F%6D%69%63%20%64%65%76%65%6C%6F%70%6D%65%6E%74&p_name_type=%41&p_search_type=%42%45%47%49%4F%53&p_srch_results_page=0)

<sup>2</sup> [http://www.livedc.com/vcbpages/about\\_us\\_over.aspx](http://www.livedc.com/vcbpages/about_us_over.aspx)

<sup>3</sup> HVEDC Video available at: <http://www.youtube.com/watch?v=zch0hfomHlo&feature=c4-overview&list=UUDnTNKpKKJH1RAcvbP1hgw>

and CEO of HVEDC.<sup>4</sup> While Mr. Gottlieb is speaking, his name and title are visible on-screen, as well as the HVEDC logo, which is visible in the lower right-hand corner of the screen. In relevant part, the HVEDC Video shows an image of Mr. Gottlieb, wearing a gray shirt and a maroon and white-striped tie, up against a black background, making the following statement:

*We see 3D printing as being an exciting technology with so many applications. This is one of the most exciting initiatives that we have launched in the history of Hudson Valley Economic Development Corporation, and we're proud that we were able to pull together a dream team of economic development professionals and organizations. Sean Eldridge, Central Hudson, SUNY New Paltz. We couldn't have asked for a better group of individuals and organizations to help see our vision through.*

The transcript of the HVEDC Video, in its entirety, is attached as *Attachment A*.

On September 22, 2013, Sean Eldridge published a campaign announcement video, entitled "Why I'm Running" ("Announcement Video") on You Tube<sup>5</sup>, as well as on the Committee's website.<sup>6</sup> The Announcement Video features Eldridge, along with other campaign supporters, including Larry Gottlieb. The Announcement Video includes the same footage of Mr. Gottlieb that is included in the HVEDC Video – black background, gray shirt and maroon and white-striped tie. And, in relevant part, Mr. Gottlieb is, again, making the following statement:<sup>7</sup>

*We see 3D printing as being an exciting technology with so many applications. We're proud that we were able to pull together a dream team of economic development professionals and organizations. Sean Eldridge, Central Hudson, SUNY New Paltz.*

#### Relevant Law

The Federal Election Campaign Act of 1971, as amended, ("the Act") and Federal Election Commission regulations strictly prohibit corporations from making contributions or expenditures in connection with any election to any political office. 2 USC § 441b(a), 11 CFR § 114.2(a).

FEC regulations similarly prohibit candidates and political committees from "knowingly accepting or receiving" illegal corporate contributions. 11 CFR § 114.2(d).

The Act defines "contribution" in two ways. First, "contribution" includes "any gift, subscription, loan, advance, or deposit of money or anything of value made by any person for the purpose of influencing any election for Federal office." 2 USC 431(8)(A)(i). Second, "contribution" includes the "payment by any person of compensation for the personal services of another person which are rendered to a political committee without charge for any purpose." 2 USC § 431(8)(A)(ii), 11 CFR § 100.54.

#### Legal Analysis

<sup>4</sup> See HVEDC Video cited in footnote 3, at 1:35.

<sup>5</sup> Announcement Video available at: <https://www.youtube.com/watch?v=FKsq4d889Ik#t=109>

<sup>6</sup> Announcement Video also available at: <http://seaneldridge.com/>

<sup>7</sup> See Announcement Video, cited in footnotes 5 and 6, at 1:35.

The Hudson Valley Economic Development Corporation is a non-stock, non-profit corporation registered with the state of New York. The Act and FEC regulations prohibit corporations, like HVEDC, from making contributions in connection with federal elections.

The HVEDC Video, and all of the audio and video footage comprising the HVEDC Video, is clearly the property of HVEDC, as it is posted on HVEDC's You Tube page, bears HVEDC's logo, and is used to promote a project of HVEDC.<sup>8</sup> Four months later, Eldridge and the Committee incorporate the very same footage, down to the shirt and tie, in the Announcement Video, and use the Announcement Video to promote Eldridge's campaign for federal office.

If the HVEDC Video was created for the purpose of providing the Committee with video materials to be used in campaign advertising, then the HVEDC Video is either the Committee's campaign material, paid for with corporate funds, or a coordinated expenditure between HVEDC and the Committee.

If, in fact, the HVEDC Video was legitimately produced for HVEDC, then the value of the footage used in both the HVEDC Video and the Announcement Video is clearly an in-kind contribution from HVEDC to the Committee under the Act and FEC regulations. As a corporation, HVEDC is absolutely prohibited from contributing to the Committee. Thus, HVEDC has made, and Eldridge and the Committee accepted, a prohibited corporate contribution, directly in violation of the Act and FEC regulations.

### Conclusion

Upon information and belief, and based upon the facts relayed herein, Sean Eldridge, Sean Eldridge for Congress, and the Hudson Valley Economic Development Corporation have violated the Federal Election Campaign Act of 1971, as amended, and Federal Election Commission Regulations. Accordingly, I respectfully request that the Commission conduct an immediate investigation into the violations outlined above and impose the maximum penalty under law.

The foregoing is correct and accurate to the best of my knowledge, information and belief.

Respectfully submitted,

*Maria E. Kelso*

Sworn to and subscribed before me this 11<sup>th</sup> day of February, 2014.

  
Notary Public

My Commission Expires:

ERIC V. JERVIS  
Notary Public, State of New York  
Reg. No. 02JE6142495  
Qualified In Otsego County  
Commission Expires March 20, 20 14

<sup>8</sup> See <http://hudsonvalley3dprinting.com/>, the website touting the Hudson Valley 3D printing project promoted in the HVEDC Video. The website states "That's why Hudson Valley Economic Development Corporation...is proud to launch Hudson Valley 3D Printing."

## Attachment A

HVEDC Video: <http://www.youtube.com/watch?v=zch0hfomHlo&feature=c4-overview&list=UUdnTNKpKKJHlJRAeybPlhgw>

**Sean Eldridge:** 3D printing is a revolutionary technology that will change the way we make almost everything. From automobile and aircraft parts to medical implants, 3D printing is changing manufacturing forever. Though there's no silver bullet for economic growth in the Hudson Valley, 3D printing has tremendous potential to grow our economy and create jobs in the region, which is why I'm excited to announce a \$1 million investment in 3D printing in the Hudson Valley. In order to bring this exciting technology to our region, I am proud to provide a founding grant of \$250,000, which has been generously matched by Central Hudson to create the Hudson Valley Advanced Manufacturing Center at SUNY New Paltz.

**Don Christian, President- SUNY New Paltz:** This collaborative initiative is a perfect example of a public-private partnership. It builds on our long tradition of being at the forefront of educational advancements. We are thrilled that Sean Eldridge, Central Hudson, and the Hudson Valley Economic Development Corporation will be our partners on this very exciting initiative.

**Sean Eldridge:** In addition to the advanced manufacturing center, I'm committing up to \$500,000 for investments in Hudson Valley companies that incorporate 3D printing in their business to help grow this exciting industry.

**Steve Lant, Chairman, President, and CEO- Central Hudson Energy Group, Inc.:** It's our strong belief that the Hudson Valley can become a national leader in the use of 3D printing technology. Central Hudson is committing \$250,000 in direct support over the next three years. This new commitment will supplement our continued support of HVEDC's cluster development strategies and Central Hudson's economic development incentives and energy efficiency programs.

**Larry Gottlieb, President and CEO- Hudson Valley Economic Development Corp.:** We really want to accelerate the growth of a new cluster in the Hudson Valley. We see 3D printing as being an exciting technology with so many applications. This is one of the most exciting initiatives that we have launched in the history of Hudson Valley Economic Development Corporation, and we are proud that we were able to pull together a dream team of economic development professionals and organizations: Sean Eldridge, Central Hudson, SUNY New Paltz. We couldn't have asked for a better group of individuals and organizations to help see our vision through.

**Sean Eldridge:** This technology is on the rise, and eventually it will be incorporated across the country. But I'm proud to say that today it's come to the Hudson Valley, and we're now in a position to lead the charge on the next wave of advanced manufacturing. {Pause} I want to thank SUNY New Paltz, Central Hudson, and the Hudson Valley Economic Development Corporation for partnering with me on this exciting project to bring this revolutionary technology to our region.

End: HV3D Logo Bounce Back

